

Military Service and PERSI benefits

PERSI Base Plan

You may earn PERSI credit while you are on active duty. You do not have to pay contributions to receive credit for eligible military service. For PERSI purposes, "Military Service" is any active duty in the United States armed forces, including the national guard and reserves, which interrupts your PERSI service.

Your PERSI contributions cease when you leave PERSI-covered employment.

You may earn PERSI credit while you are on active duty if:

- you begin service within 90 days of leaving PERSI-covered employment, and
- you return to PERSI employment within 90 days of release from active duty

Military service may not exceed five years if it is at the convenience of the U.S. government, or four years if you voluntarily extend your duty.

Military service does not include any period of active duty which ends in dishonorable discharge, or any period in which you could have chosen to discontinue active duty.

PERSI Choice Plan

You may make up your voluntary pre-tax contributions to the Choice Plan 401(k) missed while on qualified military service if you

return to work within 90 days of release from active duty. You may make up any amount up to the limit not used during the applicable year. For example: If the annual limit was \$11,000 and you contributed \$2,000 before your military service, you may make up \$9,000 for the year.

You have three times the period of military service or up to five years, whichever is less, to make up the contributions. Such contributions do not count against your annual contribution limits during the make up period.

You may be eligible to receive employer contributions and PERSI gain sharing while you are on military service. To be eligible for any gain sharing distributions during your service, make sure that your employer sends a copy of your orders to PERSI prior to your leave of absence.

If you took a loan from your PERSI Choice Plan 401(k) and are in the process of repaying the loan, your repayments may be suspended during any period of qualified

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PERSI videos available to employers for new employee orientation

Last March, we sent PERSI videos to all active members. We now have an additional 5,000 of the videos available, and you may now order your own supply to provide to or show to new employees for orientation on PERSI.

The videos are about 15 minutes, and provide a good basic summary of the PERSI Base Plan, Gain Sharing and the Choice Plan 401(k).

After this supply is depleted, we do not plan on making additional copies, so we would appreciate it if you would not "over order," but we certainly want you to have some for orientation purposes.

To order videos, call Jessie Alice at Educational Technologies Inc. (ETI), at 1-800-551-3156, ext. 117. Give your name, agency, address and how many videos you are requesting.

What goes great with PERSI's financial planning workshops? How about donuts and door prizes? To arrange a workshop for your folks (donuts, prizes and great information included!), call Brian Mastel with ETI at 406-556-9722.

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military service. Once you return from active duty payments will resume.

Death Benefits if You Are Killed in Action

PERSI Base Plan

Non-Vested Members

If you have less than 60 months of PERSI service (including military service), your designated beneficiary will receive a lump sum death benefit consisting of your Base plan contributions plus interest.

Vested Members

If you die with 60 months or more of PERSI service (including military service), you have two options:

- Your beneficiary may receive two times your Base plan contributions plus interest, or
- If you have a surviving spouse, your beneficiary may choose to waive their Base plan lump sum death benefit to instead have a monthly allowance paid to your surviving spouse for his or her lifetime.

The amount of the monthly allowance is based on your age at death, that of your spouse, your total months of service and your average monthly salary. The allowance will be paid in the amount calculated under Option 1, 100% Contingent Annuitant Allowance.

In all cases, your beneficiary and surviving spouse will be notified of the value of the choices available.

PERSI Choice Plan

In all cases, your beneficiary will receive a lump sum payment consisting of your account balance.

Disability Benefits if You Are Injured in Action

PERSI Base Plan

Disabilities resulting from service in the Armed Forces or from an intentionally self-inflicted injury are excluded from a PERSI Base Plan disability retirement benefit.

PERSI Choice Plan

The PERSI Choice Plan does not have disability benefits.

Questions

For Choice Plan information, contact Mellon Employee Benefit Solutions (MEBS).

Toll free 1-866-ID-PERSI

Web www.persi.state.id.us/Choice

For Base Plan information, contact your area PERSI office.

Boise 208-334-3365
or 1-800-451-8228

Pocatello 208-236-6225
or 1-800-762-8228

Coeur d'Alene 208-769-1474
or 1-800-962-8228

E-mail our *front desk* at
fdesk@persi.state.id.us

Web www.persi.state.id.us

2002 Interest Rate to be credited to member accounts

Interest Paid to Members

Effective January 1, 2002, the regular interest rate credited to member Base Plan accounts will be 4.82%.

As you may recall, in 2000 PERSI changed the Regular Interest Rate credited to member accounts to an amount equal to PERSI's net investment return rate. The rate for each calendar year is based on the annual net rate of return at the end of the previous fiscal year (June 30).

Although PERSI realized a return of -6.1% for fiscal year 2001, the interest rate for members will be the average of quarter-ending rates for 90-day Treasury Bills for the year. This means that even though PERSI lost money last year, members will be paid a respectable interest rate.

Interest Paid for Buybacks

Effective January 1, 2002, interest on member repayments to PERSI for Separation Benefits, Waiting Periods or Delinquent Contributions will be 9%.

This interest rate changes each year and is equal to the three year average of the Prime Rate (as of June 30 the previous year) plus 1%. Once a member begins payments, they are locked in at the payment rate at which they started.